

**BRIDGEVIEW COMMUNITY MENTAL  
HEALTH CENTER  
CLINTON, IOWA**

**FINANCIAL REPORT  
June 30, 2011**

# **BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER**

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# **BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER**

## **Board of Directors**

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
Lewis Todtz	President	June 11
Tom Lyons	Vice President	June 13
Jennifer Graf	Secretary-Treasurer	June 13
Deb Olson	Member	June 12
Ruthann Papke	Member	June 12
John Staszewski	Member	June 13
Joe Steffen	Member	June 11
Marcia Christensen	Executive Director	Indefinite



**Sitrick & Associates, LLC** *Certified Public Accountants*  
2543 Tech Drive ♦ Bettendorf, Iowa 52722 ♦ Telephone 563-332-8288 FAX 563-332-8456

Sheldon S. Sitrick, CPA (1954 - 1988)  
John N. Sherrick, CPA  
James K. Blake, CPA

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Bridgeview Community Mental Health Center  
Clinton, Iowa

We have audited the accompanying statement of financial position of Bridgeview Community Mental Health Center as of June 30, 2011 and the related statement of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Bridgeview Community Mental Health Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridgeview Community Mental Health Center as of June 30, 2011 and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2011, on our consideration of Bridgeview Community Mental Health Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

*Sitrick & Associates*  
SITRICK & ASSOCIATES, LLC  
Certified Public Accountants

September 30, 2011  
Bettendorf, Iowa

# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Statement of Financial Position

June 30, 2011

### Assets:

#### Current Assets:

Cash	\$ 504,155	
Certificates of Deposits	504,633	
Accounts Receivable	141,484	
Grants Receivable	<u>39,997</u>	
Total Current		\$ 1,190,269

#### Property and Equipment:

Office Furniture and Equipment	164,091	
Less: Accumulated Depreciation	<u>(92,164)</u>	
Total Property and Equipment		<u>71,927</u>

Total Assets \$ 1,262,196

### Liabilities:

#### Current Liabilities:

Accounts Payable	\$ 24,368	
Other Accrued Liabilities	70,100	
Accrued Wages	<u>137,903</u>	
Total Current Liabilities		<u>\$ 232,371</u>

Total Liabilities 232,371

#### Net Assets:

Unrestricted 1,029,825

Total Liabilities and Net Assets \$ 1,262,196

# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Statement of Activities For the Year Ended June 30, 2011

	2011		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support:			
Service Fees:			
County	\$ 659,589	\$ -	\$ 659,589
Habitation	94,184		94,184
Medicare	382,619		382,619
Medicaid	1,356,600		1,356,600
Private Insurance	656,081		656,081
Self Pay	71,267		71,267
Less Adjustments	(1,071,239)		(1,071,239)
Grants, Contracts, Fees	553,083		553,083
Donations	30,000		30,000
Other	<u>15,288</u>	<u>-</u>	<u>15,288</u>
Total Revenue and Support	<u>2,747,472</u>	<u>-</u>	<u>2,747,472</u>
Expenses:			
Program Expenses			
Independent Living	343,351		343,351
School SAT	178,486		178,486
School Contracts	31,681		31,681
Clinical	914,613		914,613
Medical	<u>704,711</u>	<u>-</u>	<u>704,711</u>
	2,172,842	-	2,172,842
General and Administrative	<u>625,835</u>	<u>-</u>	<u>625,835</u>
Total Expenses	<u>2,798,677</u>	<u>-</u>	<u>2,798,677</u>
Change in Net Assets	(51,205)	-	(51,205)
Net Assets Beginning of Year	<u>1,081,030</u>	<u>-</u>	<u>1,081,030</u>
Net Assets End of Year	<u>\$ 1,029,825</u>	<u>\$ -</u>	<u>\$ 1,029,825</u>

The Notes to Financial Statements are an integral part of this statement

## BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

### Statement of Cash Flows For the Year Ended to June 30, 2011

Cash flows from (used in) Operating Activities:	
Excess of revenue over expenses	\$ (51,205)
Adjustments to reconcile change in assets to net cash from operating activities:	
Depreciation	31,029
Decrease (increase) in operating assets:	
Accounts Receivable	73,439
Other Receivables	(35,057)
Increase (decrease) in Operating Liabilities:	
Accounts payable	3,553
Other accrued expenses	64,521
Accrued wages	<u>(31,319)</u>
Net cash flows from Operating Activities	<u>54,961</u>
Cash Flows from (used in) Investing Activities:	
Purchase of Furniture & Equipment	<u>(34,768)</u>
Net Cash Used in Investing Activities	<u>(34,768)</u>
Net (Decrease) Increase in Cash	20,193
Cash Beginning of Year	<u>988,595</u>
Cash End of Year	<u>\$ 1,008,788</u>

# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Statement of Functional Expenses For the Year Ended June 30, 2011

	PROGRAM SERVICES							Total	
	Independent Living	School SAT	School Contracts	Clinical	Medical	Program Services	General & Administrative	Total	
Salaries and Wages	\$ 223,199	\$ 131,298	\$ 26,790	\$ 684,024	\$ 442,802	\$ 1,508,113	\$ 315,953	\$ 1,824,066	
Payroll Taxes	15,620	10,590	1,965	49,904	31,491	109,570	21,825	131,395	
Employee Benefits	44,461	29,138	538	119,022	30,966	224,125	97,925	322,050	
Insurance	-	-	-	-	1,834	1,834	9,436	11,270	
Advertising	-	-	-	-	-	-	17,186	17,186	
Staff Development	1,017	693	20	9,000	47,026	57,756	1,326	59,082	
Dues, Fees, Licenses	550	-	-	2,651	2,914	6,115	5,869	11,984	
Rent, Utilities, Phone	30,511	3,225	344	37,086	10,898	82,064	29,293	111,357	
Supplies	15,580	512	26	8,959	3,537	28,614	29,862	58,476	
Professional Services	1,627	-	-	1,253	132,557	135,437	55,159	190,596	
Equipment	1,659	-	-	2,187	686	4,532	9,450	13,982	
Mileage	9,127	3,030	1,998	527	-	14,682	1,522	16,204	
Depreciation	-	-	-	-	-	-	31,029	31,029	
Total Expenses	\$ 343,351	\$ 178,486	\$ 31,681	\$ 914,613	\$ 704,711	\$ 2,172,842	\$ 625,835	\$ 2,798,677	

The Notes to Financial Statements are an integral part of this statement.

**Sitrick & Associates, LLC**  
Certified Public Accountants



# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Notes to Financial Statements

June 30, 2011

### Note 1 - Summary of Significant Accounting Policies

Nature of Activities - Bridgeview Community Mental Health Center (Center) provides comprehensive, caring, quality mental health services to individuals in Clinton County, Iowa and surrounding areas. As such, the Center is subject to the business risk associated with that industry in the Clinton County, Iowa area.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management's Review - Subsequent events were evaluated through September 30, 2011, which is the date the financial statements were available to be issued.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable - Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, Medicaid/Medicare, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Fixed Assets - Fixed assets acquired by Bridgeview Community Mental Health Center through restricted grant contributions are considered to be owned by Bridgeview Community Mental Health Center. Some funding sources may have a reversionary interest in the property as well as the determination of use of any proceeds from the sale of these assets.

Bridgeview Community Mental Health Center follows the practice of capitalizing all expenditures for property, furniture, fixtures and office equipment in excess of \$750. Depreciation or amortization of all such items is computed on a straight-line basis over the estimated useful lives of the assets generally as follows:

Furniture and equipment	5-7 years
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## **BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER**

### Notes to Financial Statements

June 30, 2011

#### Note 1 - Summary of Significant Accounting Policies (Continued)

Contributions - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. Bridgeview Community Mental Health Center had no temporarily or permanently restricted net assets in 2011.

Service Revenues – Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors. And others for services rendered, including estimate retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future period as final settlements are determined.

Income Taxes - The Center is exempt from income taxes as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code and under state income tax code.

Compensated Absences – The Center employees accumulate a limited amount of earned but unused vacation and personal day benefits payable to the employee. Amounts representing the cost of compensated absences are recorded as liabilities and have been computed based on current rates of pay.

Contributed Services - During the year ended June 30, 2011 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

#### Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. No fund-raising expenses are included in general and administrative expenses.

# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Notes to Financial Statements

June 30, 2011

### Note 2 - Property and Equipment

Fixed Assets are summarized as follows:

2011

Office equipment	\$ 91,664
Vehicles	<u>72,427</u>
Accumulated Depreciation	<u>(92,164)</u>
	<u>\$ 71,927</u>

### Note 3 – Accounts Receivable

Accounts receivable of the Center on June 30, 2011 totaled \$309,123. Based on past collection experience, management has provided for an allowance for adjustments and doubtful accounts of \$167,639 of the receivable balance.

### Note 4 – Revenue

Approximately 52 percent of 2011 revenue was derived under federal and state third-party reimbursement programs. These revenues are based in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries. Laws and regulations governing these programs are extremely complex and subject to interpretation. As a result there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

### Note 5 – Economic Dependence

The Center receives a substantial amount of its support from local county government. A significant reduction in the level of this support, if this were to occur, may have an effect on the Center's programs and activities. A large portion of the Center's revenue from patient fees are paid by third-party reimbursement whereby patients qualify for funding through title XIX of the Federal Social Security Act. Changes in the level of funding for this program could have a considerable effect on the patients' ability to pay for services provided.

## BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

### Notes to Financial Statements

June 30, 2011

#### Note 6 – Leases

As of June 30, 2011, the Center had entered into various noncancelable operating lease agreements for the rental of office and residential facilities, expiring from July 2011 to June 2017. Minimum rentals, on an annual basis, are as follows:

Fiscal year ending June 30, 2012	\$ 98,416
2013	92,784
2014	68,936
2015	66,768
2016	66,768
Thereafter	<u>59,696</u>
	<u>\$ 453,368</u>

#### Note 7 – Retirement Plan

The Center has a defined contribution 401(k) retirement plan for substantially all full time employees. The employer match contribution to the plan equals 100% of the first 3% of gross pay that an employee contributes to the plan and 50% of the employees next 2% of gross pay that an employee contribute to the plan. The amount included in the expenses for the year ended June 30, 2011 is approximately \$61,370.

#### Note 8 – Contingencies

The Center has been notified that it is required to repay \$206,149 based on 2008-09 and 2009-10 cost reimbursement reports for Medicaid programs. The Center has filed an appeal requesting that amended cost reports be allowed to adjust the number of services provided to not include services that were not paid by the provider.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Bridgeview Community Mental Health Center  
Clinton, Iowa

We have audited the financial statements of Bridgeview Community Mental Health Center (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Bridgeview Community Mental Health Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bridgeview Community Mental Health Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bridgeview Community Mental Health Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

September 30, 2011  
Bettendorf, Iowa

*Sitrick & Associates*  
SITRICK & ASSOCIATES, LLC  
Certified Public Accountants

**BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER**

Schedule Findings and Responses

June 30, 2011

**There were no audit findings.**



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## **INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION**

To the Board of Directors of  
Bridgeview Community Mental Health Center

We have audited the financial statements of Bridgeview Community Mental Health Center as of and for the year ended June 30, 2011, and have issued our report thereon dated September 30, 2011, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of schedule of Income and Expenses by department is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Sitrick & Associates*  
SITRICK & ASSOCIATES, LLC  
Certified Public Accountants

September 30, 2011  
Bettendorf, Iowa



# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Schedule of Income and Expenses by Department For the Year Ended June 30, 2011

	Independent Living	School SAT	School Contracts	Clinical	Medical
Revenue:					
County	\$ 35,675	\$ 3,220	\$ -	\$ 449,904	\$ 170,790
Habitation	94,184	-	-	-	-
Medicare	1	-	-	229,308	153,310
Medicaid	286,365	194,040	-	608,487	267,708
Private Insurance	-	99,575	-	413,428	143,078
Self Pay	10,031	5,476	-	31,148	24,612
Less Adjustments	(33,592)	(152,033)	-	(630,799)	(250,016)
Grants, Contracts, Fees	28,955	65,170	27,451	234,122	197,385
Donations	10,000	-	-	-	-
Other	-	-	-	-	-
Total Revenue & Support	<u>431,619</u>	<u>215,448</u>	<u>27,451</u>	<u>1,335,598</u>	<u>706,867</u>
Expenses:					
Salaries and Wages	\$ 223,199	\$ 131,298	\$ 26,790	\$ 684,024	\$ 442,802
Payroll Taxes	15,620	10,590	1,965	49,904	31,491
Employee Benefits	44,461	29,138	538	119,022	30,966
Insurance	-	-	-	-	1,834
Advertising	-	-	-	-	-
Staff Development	1,017	693	20	9,000	47,026
Dues, Fees, Licenses	550	-	-	2,651	2,914
Rent, Utilities, Phone	30,511	3,225	344	37,086	10,898
Supplies	15,580	512	26	8,959	3,537
Professional Services	1,627	-	-	1,253	132,557
Equipment	1,659	-	-	2,187	686
Mileage	9,127	3,030	1,998	527	-
Depreciation	-	-	-	-	-
Total Expenses	<u>343,351</u>	<u>178,486</u>	<u>31,681</u>	<u>914,613</u>	<u>704,711</u>
Net Revenue	<u>\$ 88,268</u>	<u>\$ 36,962</u>	<u>\$ (4,230)</u>	<u>\$ 420,985</u>	<u>\$ 2,156</u>

General & Administrative	Total
\$ -	\$ 659,589
-	94,184
-	382,619
-	1,356,600
-	656,081
-	71,267
(4,799)	(1,071,239)
-	553,083
20,000	30,000
<u>15,288</u>	<u>15,288</u>
<u>30,489</u>	<u>2,747,472</u>

\$ 315,953	\$ 1,824,066
21,825	131,395
97,925	322,050
9,436	11,270
17,186	17,186
1,326	59,082
5,869	11,984
29,293	111,357
29,862	58,476
55,159	190,596
9,450	13,982
1,522	16,204
<u>31,029</u>	<u>31,029</u>
625,835	2,798,677

\$ (595,346)   \$ (51,205)